

the people of various interests like farmers, workers and artisans, we will ensure that a proper representation is given to the weaker sections and minorities while picking up these representatives.

[*Translation*]

**Outstanding Taxes against big Business Houses**

\*91. SHRI HUKUMDEO NARAYAN YADAV: Will the Minister of FINANCE be pleased to state:

(a) the names of 20 business houses topping in the list of income-tax and other central tax arrears alongwith the amount outstanding under each head against each business house and since when the said amount is outstanding; and

(b) the reasons for delay in not recovering the outstanding amount?

THE MINISTER OF FINANCE (PROF. MADHU DANDAVATE): (a) and (b). A statement is given below.

**STATEMENT**

*CENTRAL EXCISE*

(a) The names of 20 business houses topping in the list of Central Excise arrears, amounts due and dates since when the amounts are pending.

*As on 30.9.89  
Amounts in Crores*

<i>Sl. No.</i>	<i>Name of the business house</i>	<i>Approximate amounts due</i>	<i>Dates since when the amounts are pending</i>
<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>
1.	ITC	121.77	Different amounts pending from different dates since 1985 onwards.
2.	Modi	33.79	
3.	TATA	15.82	
4.	BIRLA	12.94	
5.	Mafatlal	7.83	
6.	J.K. Singhania	6.46	Demands for payments for Central Excise duty are raised on the basis of production and clearances. Total amounts indicated against each business house thus relate to various demands against their companies raised on different dates.
7.	Lohia Machines	6.33	
8.	Hindustan Lever	5.92	
9.	Sri Ram	5.90	
10.	Mahindra & Mahindra	5.52	
11.	Bajaj	5.30	

1	2	3	4
12.	MRF	4.54	
13.	Godrej	4.22	
14.	Sarabhai	3.76	
15.	Kasturbhai Lalbhai	3.34	
16.	Garware	3.22	
17.	Kirloskar	2.83	
18.	Ashok Leyland	2.55	
19.	ACC	1.16	
20.	Madura Coats	1.14	

(b) In most of the cases, the amounts outstanding are linked with Court cases where the recoveries have been stayed by the Courts or other Appellate authorities. Administrative, legal and other measures, as are considered necessary continue to be taken. Special counsels are engaged in important cases to defend the Government's stand. The Courts have been approached for early hearings.

#### INCOME-TAX

*List of top 30 undertakings registered as on June 30, 1987, under MRTP Act, 1969 (ranked in order of Income-tax arrears due from them)*

<i>Sl. No.</i>	<i>Name of address</i>	<i>Amount of Income tax arrears as on 30.9.89 (Rs. in crore)</i>
1	2	3
1.	GTC Industries Ltd., Bombay (GOLDEN TOBACCO)	104.35
2.	J.K. Synthetics Ltd, Bombay (J.K. SINGHANIA)	50.66
3.	Modi Rubber Ltd., Modinagar (MODI)	41.86
4.	Escorts Ltd., Delhi (ESCORTS)	33.30
5.	Modi Pon Ltd., Modinagar (MODI)	20.96
6.	TELCO Ltd., Bombay (TATA)	19.32
7.	Godrej & Boyce Mfg. Ltd., Bombay (GODREJ)	12.61

1	2	3
8.	National Organic Chemicals Industries Ltd., Bombay (MAFATLAL)	18.64
9.	Southern Petro-chemical Ind. Corpn. Ltd., Madras (M.A. CHIDAMBARAM)	17.12
10.	Orkey Silk Mills Ltd., Bombay (ORKEY SILK MILL)	15.28
11.	India Hotels Co. Ltd., Bombay (TATA)	13.58
12.	Mysore Wine products Ltd., Bangalore (UNITED BREWERIES)	11.69
13.	Hindustan Levers Ltd., Bombay (HINDUSTAN LEVER)	11.41
14.	Escorts Tractors Ltd., Delhi (ESCORTS)	11.14
15.	Duncon Tobacco Ltd., Hyderabad (K.P. GOENKA)	11.12
16.	Dalmia Cement (Bharat) Ltd., Delhi (J. DALMIA)	10.95
17.	Modi Industries Ltd., Modi Nagar (MODI)	10.04
18.	Nirlon Synthetics Fibres & Chemicals Ltd., Bombay (NIRLON SYNTHETICS)	10.01
19.	V.M. Salgaocar & Brothers Pvt. Ltd., Bangalore (SALGAOCAR)	9.76
20.	Brooke Bond India Ltd., Calcutta (BROOKE BOND)	7.33

(b) The income-tax demands are outstanding primarily because a major portion thereof (80.3%) is disputed in appeals and either recovery of demand had been stayed or the stay petitions are under consideration. In some cases payment of tax in suitable instalments has been allowed. In a few cases, adjustments of taxes paid, rectifications and giving effect to appellate orders are pending.

**SHRIHUKUMDEONARAYANYADAV:**  
Mr. Speaker, Sir, I wanted to know from the Government the amount outstanding against top 20 business houses under various heads. I am a simple villager and not an expert in calculations. But I think it is about Rs. 500 crore. I had also "since when the said amount is outstanding". The Government has furnished in the reply information as on 30.9.1989. On the one hand such big

amounts are outstanding against these business houses while on the other the Government is saying that in many cases, the recoveries of the amounts outstanding are stayed by the courts and the court cases are going on. Why has the Government not thought of any measures to suitably change those laws which are creating hinderance in the recovery of these outstanding amounts? Does the Government intend to bring a change in those laws? If so, when is it proposed?

**PROF. MADHU DANDAVATE:** Sir, it is my firm opinion that the existing provision in the law is not creating any hinderance. If we have will to work, nothing can forbid us. The question is that in some cases people have complained that the amounts outstanding against them are not correct. When any

business house or an individual makes such a complaint, it is a convention—not a legal obligation—that we should investigate the matter and then take a decision. I would like to assure the hon. Member that the Government will not delay the matter any further and there will be no loss of Government revenue.

**SHRI HUKUMDEO NARAYAN YADAV:** Mr. Speaker, Sir, all citizens have been provided equal rights under the Constitution. I would like to submit to the hon. Minister of Finance and the socialist leader Shri Madhu Dandavate, who has been jailed a number of times for leading agitations against these big business houses and tax evaders that we have always demanded early recovery of outstanding amounts. These big business houses have evaded taxes by appealing in different courts. On the other hand, if an amount of Rs. 500, 200 or 400 remains outstanding against a farmer, a warrant is immediately issued against him and he is arrested and handcuffed. His land is auctioned, I dare say that these courts and appellates authorities have been set up to give protection to these business houses and Government appoints only those officials to recover the direct taxes and other taxes who are favorites terrorists. As there is a nexus between them they don't take any strong action against these business houses. The Government should review the whole system. Everybody is equal before the law. A farmer is punished under the Indian Penal Code while a capitalist goes scot-free. Why? It is not good if capitalists get more protection under the law. Why is it so, that the Indian Penal Code is implemented on us and not on them?

**PROF. MADHU DANDAVATE:** I assure the hon. Member that as Minister of Finance, I will not compromise my socialistic ideas and a farmer will be treated at par with a business house in so far as justice is concerned. There will be no discrimination between the two. If any provision of law creates hinderance in this work, we will change that provision, but not our attitude. *[English]*

**DR. DEBI PROSAD PAL:** I would re-

quest the hon. Minister to inform the House about the arrears of income tax and excise duties pending against the big Houses. The important question is at what stage the arrears are. It has been found by experience that over-pitched assessment is made at the initial stage and if the person concerned has to prefer an appeal, there are various procedures for that. At what stage are the various appeals pending? What steps are being taken for expeditious disposal of such appeals? If that is not done, the arrears cannot be realised until the final appeals are disposed of. Will the hon. Minister inform the House at what stages, the appeal stages, assessments of the various big Houses are pending? What steps are being taken to reduce these cases and dispose them within a reasonable time?

Not only that, when the amounts are refundable to the assesses, what steps are being taken for refunding that amount, which otherwise are payable to them within a reasonable time?

**PROF. MADHU DANDAVATE:** I concede the point of the hon. Minister that because of litigation and proceedings when the matter goes in appeal, very often considerable amount of time is spent and as a result of that, we are not able to clear the arrears in time. But we shall try to tighten up our machinery. We will use our good offices to ensure that undue delay in the settlement of the cases is avoided. It will be beneficial not only to the people concerned, but it will be beneficial to the exchequer also. I can take the suggestion that has been given by the hon. Member. We will spell out the details and implement them effectively.

*[Translation]*

**SHRI RAGHAVJI:** Mr. Speaker, Sir, I would like to seek clarification on one point. When the names of Shri Dharam Teja and Suku Narayan Bakhia do not figure in the list of persons having income of more than Rs. 10 crore, are they not covered under the list of business houses? Secondly, arrears of more than Rs. 100 crore are outstanding against Golden Tobacco. I want to know

whether proceedings have been initiated to confiscate their property and whether some arrears have been recovered from them during the last five years; if so, the amount thereof?

**PROF. MADHU DANDAVATE:** Sir, the list which I have given contains the names of such persons whom the hon. Member has referred. If he goes through he list the will find that it contains the names not of big business houses only, but the names of those also who are involved in or are facing charges of smuggling. It includes the name of Dharam Teja who has since died. Thus he has got rid of the trouble and so we have. Therefore, in his case the question does not arise. But so far as other houses are concerned, we have noted down their names and I think that, barring the pending cases, stringent legal action would be taken against all others.

**SHRIDAU DAYAL JOSHI:** Mr. Speaker, Sir, will the hon. Minister be pleased to state whether there are arrears of about Rs. 500 crores against big business houses and in spite of the fact that Supreme Court has given verdict in favour of the Government, there are cases in respect of which the arrears have not been recovered? If so, the action proposed to be taken against the officials who failed to recover the arrears?

**PROF. MADHU DANDAVATE:** Mr. Speaker, Sir, I would like to assure the hon. Member that thorough inquiry will be ordered against the officers responsible for not recovering the arrears in respect of the cases which have been finally decided by the court. If some officers are found guilty, action would certainly be taken against them.

[English]

### Opening of Rubber Research Centre

\*92. **SHRI N. DENNIS:** Will the Minister of COMMERCE AND TOURISM be pleased to state:

(a) whether there is a proposal to open a regional station of Rubber Research Insti-

tute in Kanyakumari district of Tamil Nadu for the promotion and development of rubber production; and

(b) if so, the details thereof?

**THE MINISTER OF COMMERCE AND TOURISM (SHRI ARUN KUMAR NEHRU):** (a) and (b). There is already a Rubber Research Institute at Kottayam with a rubber breeding station at Kanyakumari, Tamil Nadu. There is, therefore, no proposal under consideration at present to set up a separate rubber research institute at Kanyakumari.

**SHRI N. DENNIS:** Sir, the per unit production of rubber in Kanya Kumari is the highest in the country. Qualitatively also, it occupies the highest position. But comparatively, lesser attention is paid towards rubber growers of Kanya Kumari District. There are small rubber growers, big estate holders and government owned rubber plantions also. The interests of the rubber growers, particularly those of the small holders should be protected. Subsidies and other incentives should be given to these small rubber growers. May I know from the hon. Minister whether a Regional Rubber Research Institution could be set up there? In his answer, the Minister has stated that there is no proposal at present. But there is a necessity for such an institute in that district. Will the Minister reconsider the decision and take appropriate steps for setting up a Research Centres at Kanyakumari?

**SHRI ARUN KUMAR NEHRU:** Sir, the position is that we take the total area under rubber cultivation. In Kerala we have 350,000 hectares whereas in Tamil Nadu it is 17,000. In the non-traditional areas where we are encouraging the growth of rubber, it is 24,000 in the North Eastern States, and in Orissa, Madhya Pradesh, Andhra Pradesh and Maharashtra, it is 14,000. Now for all these places, we have the Rubber Research Institute at Kottayam which is in the heart of the rubber belt. In all the other places, we have experimental stations including Kanyakumari and we feel that it is adequate for the moment. As far as development rebate, subsi-